USDA/Food Distribution Project No. 6

Project No. 6: Multi-Stop Pilot State Partner: Texas and Mississippi

Industry Partner: All USDA vendors delivering commodities to pilot destinations

Scope: While two states were approved to participate, only one submitted orders with splits to three destinations. The State of Texas submitted orders, across the full range of commodities, for truckload splits between three destinations in west Texas: Amarillo, Lubbock and San Angelo.

Concept Tested: Relaxing truckload delivery policy.

Background: USDA's current policy limits stop-offs on truckload deliveries to one stop and a final. To resolve distribution and delivery problems or to address inventory issues a State may need to have more than two stop-offs for a truckload.

Project Description: The state submitted orders to destinations, as needed, with stop-offs to three destinations.

Status/Next Step: Texas has requested an extension of the pilot for SY 2002. Colorado has been approved to participate in SY 2002. USDA will be seeking 3 mores states next year to expand the test further and determine the impact of allowing this on a national basis.

Finding Thus Far: For SY 2001 USDA did not have any difficulty filling the Texas split orders. Additional stop-offs cost about \$50 a stop, plus freight which depends on the location of the warehouses. Freight for dry transportation runs about \$1.35 per mile and for reefer about \$1.45.

Contact Parties for further information:

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